## Message Text

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**ORIGIN ARA-10** 

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 L-03 NSC-05 SS-15 STR-04

CEA-01 DODE-00 PA-01 PRS-01 /083 R

DRAFTED BY ARA/CCA:EPSMITH:AM
APPROVED BY ARA WLUERS
ARA/CCA:CGLEYSTEEN
ARA/CEN:MBOVA
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EB/EWT:SGOODMAN
EB/OA:ARIMAS

----- 050683

R 200134Z SEP 75 FM SECSTATE WASHDC TO AMEMBASSY SAN JOSE

CONFIDENTIAL STATE 225001

E.O. 11652: GDS

TAGS: PFOR, XM,CS

SUBJECT: US THIRD COUNTRY RESTRICTIONS ON CUBA TRADE

REF: SAN JOSE 3519

1. WE ARE CLEARING OUT UNDERBRUSH ASSOCIATED WITH OUR

RESTRICTIONS ON THIRD COUNTRY TRADE WITH CUBA. WHEN FINAL AGREEMENT REACHED STATE, TREASURY AND COMMERCE ON REVISED REGULATIONS AFFECTING US SUBSIDIARIES IN THIRD COUNTRIES, RESULTS WILL BE PUBLISHED IN FEDERAL REGISTER. TERMINATION OF BUNKERING RESTRICTIONS ON THIRD COUNTRY SHIPS IN CUBA TRADE AND SECRETARIAL WAIVER, UNDER FOREIGN ASSISTANCE ACT CONFIDENTIAL

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OF 1961, AS AMENDED, OF LOSS OF BILATERAL AID BY COUNTRIES

WITH SHIPS AND AIRCRAFT IN CUBA TRADE ALREADY FORWARDED FOR PUBLICATION. LEGISLATIVE ACTION TO BROADEN WAIVER AUTHORITY OF PL 480 TO PERMIT FOOD SALES TO THIRD COUNTRIES WHOSE SHIPS AND AIRCRAFT IN CUBA TRADE UNDERWAY.

- 2. RE SPECIFIC QUESTION RAISED YOUR 3519 REGARDING RESALE US GOODS, WE WILL ACT RAPIDLY TO APPROVE LICENSES FOR TRANSACTIONS IN FOREIGN-MADE GOODS BETWEEN US SUBSIDIARIES AND CUBA WHERE THIRD COUNTRY FAVORS TRADE WITH CUBA AND WHERE CONTENT OF US ORIGIN PARTS AND COMPONENTS IS INSUBSTANTIAL (FYI: UP TO 20 PERCENT; OVER 20 PERCENT WILL REQUIRE A CASE BY CASE REVIEW.). OUR RESTRICTIONS AGAINST THE EXPORT OF TECHNOLOGY OR STRATEGIC ITEMS WILL CONTINUE. WE DO NOT WISH TO ENCOURAGE TRADE WITH CUBA NOR DO WE WISH TO SEE OUR THIRD COUNTRY MODIFICATIONS DEVELOP INTO DEVICE FOR CIRCUMVENTING OUR OWN BILATERAL CONSTRAINTS BEFORE ANY POSSIBLE NEGOTIATIONS WITH CUBA OFFER PROSPECTS OF IMPROVED RELATIONS.
- 3. WITH RESPECT TO SAN JOSE-HAVANA-MIAMI RUN FOR LACSA, WE WOULD PREFER AVOID RAISING THIS PROSPECT. IF ISSUE DOES ARISE, WE WILL PREPARE APPROPRIATE GUIDANCE. LACSA'S CURRENT FOREIGN AIR CARRIER PERMIT DOES NOT AUTHORIZE HAVANA STOP. IF AIRLINE WERE TO APPLY TO CAB FOR PERMIT AMENDMENT TO INCLUDE HAVANA (WHICH IT HAS NOT DONE), REQUEST WOULD BE CONSIDERED IN LIGHT OF RECIPROCITY IN BALANCE OF BENEFITS TO US AND COSTA RICA RESULTING FROM

AIR SERVICES PROVIDED BETWEEN THE TWO COUNTRIES BY THEIR RESPECTIVE AIRLINES. END. KISSINGER

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Subject: US THIRD COUNTRY RESTRICTIONS ON CUBA TRADE

TAGS: PFOR, ETRD, XM, CS, US, CU

To: SAN JOSE

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